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JASMINE FOOD CORPORATION SDN BHD v. LEONG WAI CHOON & ANOR

HIGH COURT MALAYA, KUALA LUMPUR
AZIZAH NAWAWI J
[SUIT NO: 22IP-19-05-2015]
B 16 FEBRUARY 2016

CIVIL PROCEDURE: *Summary judgment – Application for – Copyright and trade mark infringements – Whether defendants raised bona fide defence or triable issues warranting trial – Whether summary judgment ought to be allowed*

C

INTELLECTUAL PROPERTY: *Copyright – Infringement of – Claim for copyright in relation to graphical work in rice product packaging – Whether plaintiff owned copyright to rice product packaging – Whether defendants infringed plaintiff's copyright – Similarity of graphical work – Whether established*

D ***INTELLECTUAL PROPERTY:*** *Trade marks – Registered trade mark – Passing off – Claim for copyright in relation to graphical work in rice product packaging – Whether plaintiff acquired goodwill and reputation of trade mark – Whether plaintiff had sufficient reputation in goods or services offered to public – Whether there was misrepresentation by defendants that led public to believe that rice products*
E *sold were plaintiff's goods – Whether plaintiff suffered damages or injury to business or goodwill due to defendant's misrepresentation*

The plaintiff was the registered owner of two trade marks in relation to its rice products, namely the trade marks 'Jasmine' and 'Sunwhite'. In addition, the plaintiff also claimed copyright in respect of the graphical work of its rice
F product packaging. The plaintiff discovered that the defendants had, *inter alia*, sold to YSK Mini Market ('YSK') rice products which used the plaintiff's trade marks and copyright. YSK then resold the defendants' said rice products to the public. The plaintiff and some ministry officials then conducted a trap purchase by purchasing the defendants' counterfeit rice
G products. The plaintiff claimed that a comparison made between the defendants' counterfeit rice products and the plaintiff's original rice products showed that the defendants reproduced 99.9% of the plaintiff's trade marks and copyright. As such, the plaintiff commenced the present action against the defendants and had *vide* encl. 6, filed a summary judgment application
H against the defendants pursuant to O. 14 r. 1 of the Rules of Court 2012 ('ROC 2012'). On the other hand, in their statement of defence, the defendant contended that (i) the defendants had obtained the rice products from third parties such as hypermarkets at a competitive price; and (ii) the defendants had no knowledge that the rice products from the third parties had infringed the plaintiff's intellectual property rights and the same was to be given as gifts
I to family and friends during Chinese New Year. In the circumstances, the defendants contended that the plaintiff's application *vide* encl. 6 ought not to be allowed as the issues raised by the defendants in their statement of defence required a full trial of the action.

Held (allowing application *vide* encl. 6 with costs):

(1) The plaintiff had made the required affidavit and extracts of the Register of Copyright pursuant to s. 42 of the Copyright Act 1987 ('Act'). Therefore, pursuant to s. 42 of the Act, the plaintiff had established *prima facie* evidence that the plaintiff was the owner of the copyright in the plaintiff's rice product packaging. The admission of the affidavit, which complied with s. 42 of the Act would have the effect of shifting the burden of proof to the defendants to rebut the *prima facie* evidence as to the subsistence of copyright in the plaintiff's rice product packaging and the plaintiff's ownership to such copyright. The defendant did not offer any positive evidence to displace the plaintiff's *prima facie* ownership of the copyright. Therefore, the copyright subsisted in the plaintiff's rice product packaging and the plaintiff was the owner of such copyright. Further, as there was objective similarity between the defendants' infringing work with the plaintiff's copyright, the plaintiff had established that the defendants had copied the plaintiff's copyright in rice packaging. (paras 26-29 & 36)

(2) The defendants had prior access to the plaintiff's copyright as the first defendant was a previous customer of the plaintiff who had bought the plaintiff's rice product using the plaintiff's copyright for resale. In the circumstances, there was causal connection between the original work and the infringing copy wherein the infringing copy had been copied from the original work, whether directly or indirectly linked. (paras 37 & 39)

(3) The plaintiff was the registered owner of the trade marks Jasmine and Sunwhite. Pursuant to s. 35 of the Trade Marks Act 1976, the registration of the trade marks by the plaintiff gives the plaintiff the statutory exclusive right to use the trade marks to the exclusion of the defendants. The defendants could not use the plaintiff's registered trade marks without the plaintiff's permission. (paras 54 & 57)

(4) Since the defendant's product was identical to the plaintiff's registered trade marks, there was a higher likelihood of confusion and deception that members of the public would assume that they were buying the plaintiff's products. In the circumstances, there was misrepresentation by the defendants which led the public to the belief that the bags of rice offered by the defendants were the bags of rice of the plaintiff. (paras 59 & 68)

(5) Since the defendants' counterfeit products and the plaintiff's original products were the same, and were in direct competition with one another, damages to the plaintiff's goodwill would be readily inferred. The plaintiff was likely to suffer damages as a result of the infringing acts of the defendant due to the loss of exclusivity and damage to its goodwill and reputation. In the premise, the plaintiff had established the elements of passing-off against the defendants. (paras 72 & 73)

(6) The defendants' contention that they had bought the counterfeit products from hypermarkets was not supported by any evidence. Also, the defendants' contention that their counterfeit products were 'gifts' to be given during Chinese New Year was baseless as the same was procured in a trap sale conducted by the plaintiff and was offered for public sale during the visit of the ministry officials. Further, lack of knowledge was not a defence with regards to copyright, trade mark infringements and passing off claims. In the circumstances, the defendants had not shown any *bona fide* defence or triable issues which warranted a trial. (paras 78-85)

Case(s) referred to:

Abercrombie & Fitch Co & Anor v. Fashion Factory Outlet KL Sdn Bhd & Ors [2008] 7 CLJ 413 HC ***(refd)***

Acushnet Company v. Metro Golf Manufacturing Sdn Bhd [2006] 7 CLJ 557 HC ***(refd)***

Bank Negara Malaysia v. Mohd Ismail Ali Johor & Ors [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14 SC ***(refd)***

Elster Metering Limited & Anor v. Damini Corporation Sdn Bhd & Anor [2012] 1 LNS 959 CA ***(refd)***

Elster Metering Ltd & Anor v. Damini Corp Sdn Bhd & Anor [2010] 1 LNS 397 HC ***(refd)***

Ho Tack Sien & Ors v. Rotta Research Laboratorium S.p.A & Anor [2012] 8 CLJ 645 CA ***(refd)***

Leo Pharmaceutical Products Ltd A/S v. Kotra Pharma (M) Sdn Bhd [2002] 6 CLJ 465 HC ***(refd)***

Megnaway Enterprise Sdn Bhd v. Soon Lian Hock (No 2) [2009] 8 CLJ 130 HC ***(refd)***

Microsoft Corporation v. Yong Wai Hong [2008] 6 CLJ 223 CA ***(refd)***

National Company For Foreign Trade v. Kayu Raya Sdn Bhd [1984] 2 CLJ 220; [1984] 1 CLJ (Rep) 283 FC ***(refd)***

Plastech Industrial Systems Sdn Bhd v. N & C Resources Sdn Bhd & Ors [2012] 5 MLJ 258 ***(refd)***

Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd [2005] 1 CLJ 200 HC ***(refd)***

Seet Chuan & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 3 CLJ 7 SC ***(refd)***

Syarikat Zamani Hj Tamin Sdn Bhd & Anor v. Yong Sze Fun and Anor [2006] 5 MLJ 262 ***(refd)***

Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC ***(refd)***

Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2011] 1 LNS 1307 CA ***(refd)***

Legislation referred to:

Copyright Act 1987, ss. 7(1)(c), 13(1), 36(1), 42(1)
Rules of Court 2012, O. 14 rr. 1, 2
Trade Marks Act 1976, ss. 35, 38(1)

For the plaintiff - PC Kok (PC Ng with him); M/s PC Kok & Co
For the defendants - Gabriel Daniel (Elaine Gan with him); M/s Paul Ong & Assocs

Reported by Sandra Gabriel

JUDGMENT

Azizah Nawawi J:

Application

[1] Enclosure (6) is an application for summary judgment filed by the plaintiff against the defendants pursuant to O. 14 r. 1 of the Rules of Court 2012 ('ROC 2012').

[2] The plaintiff's causes of action against the defendants are for:

(i) copyright infringement under the Copyright Act 1987;

(ii) unlawful interference with the plaintiff's trade;

(iii) trade mark infringement under the Trade Marks Act 1976; and

(iv) the common law tort of passing-off.

[3] In their statement of defence, the defendants raised the following defences against the plaintiff's claim:

(i) The defendant has no knowledge of the plaintiff's claims as the defendant had obtained the said goods from several sources;

(ii) the defendant had acted in good faith when purchasing the goods from third parties at competitive prices.

[4] After hearing the parties, this court has allowed the plaintiff's application with costs.

The Salient Facts

[5] The plaintiff is a company incorporated in Malaysia and is a subsidiary of Padiberas Nasional Bhd ('BERNAS'). The plaintiff is involved in the business of manufacturing, distribution and sales of various rice products. The plaintiff is one of the largest rice traders in Malaysia, serving 10,000 retail outlets in Malaysia.

[6] The first defendant is the sole proprietor of the second defendant's business. The defendants are involved in the business of dealing with of rice products.

[7] The plaintiff is the registered owner two trade marks in relation to its rice products, namely the trade marks jasmine and Sunwhite. These two trade marks of the plaintiff are registered in class 30 for, amongst others, rice products/goods. The registration details of these trade marks are as follows:

Trade mark	Registration No.	Registration Date	Class of Goods
1. jasmine	87001261	31/3/1987	30 : rice flour, wheat flour, rice, rice noodles and cereals
2. Sunwhite	87001264	31/3/1987	30 : rice, rice noodle, rice flour, wheat flour and cereals

[8] In addition to the plaintiff's registered trade marks, the plaintiff also claimed copyright in respect of the graphical work of its rice product packaging, that is:

[9] On or about 19 December 2014, the plaintiff discovered that the defendants have marketed, promoted, offered for sales and sold to YSK Mini Market rice products which uses the plaintiff's said and trade marks and the plaintiff's copyright. YSK Mini Market then resells the defendants' said rice products to the Malaysian public. The plaintiff says that the defendants' use of the plaintiff's said trade marks and copyright is without the plaintiff's permission or consent.

[10] On or about 29 December 2014 and 3 March 2015, the plaintiff went to the defendants' shop and conducted a trap purchase by purchasing some of the defendants' counterfeit rice products which uses the plaintiff's said trade marks and copyright.

[11] On 4 March 15, the plaintiff and the officers from the Kawal Selia Padi & Beras, Ministry of Agriculture & Agro-Based Industry inspected the defendants' shop and they found the defendants were offering for sale and selling alleged counterfeit rice products which uses the plaintiff's said trade marks and copyright

[12] The plaintiff claimed that from a comparison made between the defendants' alleged counterfeit rice products and the plaintiff's original rice products shows that the defendants reproduced 99.9% of the plaintiff's trade marks and copyright.

Plaintiff's ORIGINAL Rice Product	Defendants' alleged Counterfeit Product

[13] The plaintiff has examined the defendants' alleged counterfeit products and verified that the defendants' products are in fact counterfeit products because the defendants' counterfeit product packaging is not printed by the plaintiff. Therefore, the plaintiff filed this action against the defendants.

The Findings Of The Court

[14] In an application for summary judgment, this court is guided by the principles laid down in *National Company For Foreign Trade v. Kayu Raya Sdn Bhd* [1984] 2 CLJ 220; [1984] 1 CLJ (Rep) 283, where it was stated by the Federal Court as follows:

> ... We think it appropriate to remind ourselves once again that in every application under O. 14, the first considerations are (a) whether the case comes within the order and (b) whether the plaintiff has satisfied the preliminary requirements for proceeding under O. 14. For the purposes of an application under O. 14, the preliminary requirements:
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> (i) the statement of claim must have been served on the defendant;
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> (ii) the defendant must have entered an appearance;
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> (iii) the affidavit in support of the application must comply with the requirements of r. 2 of the O. 14
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> ... If the Plaintiff fails to satisfy either of these considerations, the summons may be dismissed. If however, these considerations are satisfied, the plaintiff will have established a *prima facie* case and he becomes entitled to judgment. This burden then shifts to the defendant to satisfy the court why judgment should not be given against him ...

[15] In the present case, the plaintiffs had satisfied the preliminary requirements as laid down in the *Kayu Raya*'s case that is:

(i) the statement of claim have been served on the defendants;

(ii) the defendants have entered appearance; and

(iii) the affidavit in support is in compliance with O. 14 r. 2 ROC 2012.

Therefore, the burden is then shifted to the defendants to satisfy the court why judgment should not be entered against them.

[16] In *Bank Negara Malaysia v. Mohd Ismail Ali Johor & Ors* [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14 the Supreme Court held that the duty of a judge does not end as soon as the fact is asserted by one party, or denied or disputed by the other on affidavit. The judge has a duty to reject such assertion or denial if such assertion or denial is equivocal or lacking in precision or is inconsistent with undisputed contemporary documents or is inherently improbable. The court will have to identify the issues of fact or law and to determine whether they are triable.

[17] It is also common ground that summary judgment may be entered in cases involving intellectual property rights.

[18] In *Acushnet Company v. Metro Golf Manufacturing Sdn Bhd* [2006] 7 CLJ 557, a summary judgment was granted for trade mark infringement and passing-off. At p. 571/A to 571/E, the court held that:

> [29] The granting of such remedies is no exception by the Malaysia Courts. In this regard, the court relies on the case of *Fabrique Ebel Societe Anonyne v. Syarikat Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537, where Justice ZakariaYatim granted similar remedies. Justice ZakariaYatim ordered:
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> In the circumstances, I allow the Plaintiff's application for final judgment under Order 14 ... for:
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> (1) an injunction to restrain the Defendants ... from infringing the Plaintiff's registered trade mark ...;
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> (2) for delivery up or destruction upon oath of all goods ...offend against the foregoing injunction;
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> (3) enquiry be made as to what damages ... sustained by the Plaintiff; and
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> (4) the Defendants will pay the Plaintiff's costs ...
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> [30] The above authorities clearly show that in cases involving trade mark infringement, the court has jurisdiction to enter summary judgment, provided all the necessary ingredients required under O. 14 RHC 1980 are fulfilled, (see also: *Rock Records (M) Sdn. Bhd. v. Audio One Entertainment Sdn Bhd* [2005] 1 CLJ 200)

[19] Further, the court in *Abercrombie & Fitch Co & Anor v. Fashion Factory Outlet KL Sdn Bhd & Ors* [2008] 7 CLJ 413 also granted summary judgment for trade mark infringement and passing-off. The court held at p. 425/F:

> [25] The High Court is clearly empowered or seized of the jurisdiction to grant a summary judgment for trade mark infringement even if it involves a claim for permanent mandatory injunction. This is clearly borne out by the authorities of *Fabrique Ebel Societe Anonyme v. Sykt Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537; *Shell-Mex and BP Ltd v. Manchester Garages Ltd* [1971] 1 All ER 841; *Binariang Communications Sdn Bhd v. I & P Inderawasih Jaya Sdn Bhd* [2000] 3 CLJ 789 and the recent decision of *Acushnet Company v. Metro Golf Manufacturing Sdn Bhd* [2006] 7 CLJ 557.

Issue (i) Copyright Infringement

[20] The plaintiff's claim for copyright infringement against the defendant is premised on s. 36(1) of the Copyright Act 1987 which read as follows:

> 36. Infringements.
>
> (1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

[21] The plaintiff claim copyright in the following artistic work ('the rice product packaging') pursuant to s. 7(1)(c) of the Copyright Act 1987:

[22] In order to establish a claim of copyright infringement, the onus lies with the plaintiff to establish the following elements:

(i) whether the plaintiff's rice product packaging is eligible for copyright protection;

(ii) whether the plaintiff owns the copyright in the plaintiff's rice product packaging; and

(iii) whether the defendant has infringed the plaintiff's copyright.

[23] Section 7(1)(c) of the Copyright Act 1987 provides that 'artistic works' shall be eligible for copyright. Under s. 3(1)(a), 'artistic works' has been defined to mean "a graphic work ... irrespective of artistic quality". Further under the same definition section, "Graphic work" is defined to include "Any painting, drawing, diagram, map, chart or plan".

[24] Copyright can be proved in the manner as provided under s. 42(1) of the Copyright Act 1987, which reads:

> 42. (1) An affidavit, certified extracts of the Register of Copyright referred to in section 26B or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be:
>
> (a) the owner of the copyright in any works eligible for copyright under this Act stating that:
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> (i) at the time specified herein copyright subsisted in such work;
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> (ii) he or the person named therein is the owner of the copyright; and
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> (iii) a copy of the work annexed thereto is the true copy thereof; …
>
> shall be admissible in evidence any proceedings under this Act and shall be *prima facie* evidence of the facts contained therein.

[25] The application of s. 42 was considered by the court in *Elster Metering Ltd & Anor v. Damini Corp Sdn Bhd & Anor* [2010] 1 LNS 397; [2011] 8 MLJ 253, where the Court held at pp. 260-261:

> Section 42 stipulates five prerequisites, which are as follows:
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> (a) it must be made by or on behalf of the person claiming to be the copyright owner;
>
> (b) it must state the copyright subsist in the work at the time specified;
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> (c) that he or the person named therein is the owner of the copyright;
>
> (d) a true copy of the work is annexed;
>
> (e) the person who is authorised to act on behalf of the copyright must produce such an authorisation in writing ...

[26] In present case, the plaintiff has made the required affidavit and extracts of the Register of Copyright pursuant to s. 42 of the Copyright Act 1987. Para 21 of affidavit plaintiff 14 July 2015 reads as follows:

> 21. Selanjutnya, di sini, saya menyatakan bahawa Hakcipta Plaintif wujud pada/sebelum tindakan ini dimulakan dan pada semua masa material, Plaintif adalah pemunya Hakcipta Plaintif tersebut dan sesalinan karya asal Hakcipta Plaintif dilampirkan di sini sebagai EKSHIBIT "H". Tambahan, Plaintif telah memfailkan notis perlindungan hakcipta untuk sebahagian label produk beras Plaintif itu dengan PHIM (Perbadanan Harta Intelek Malaysia). Dilampirkan di sini sebagai EKSHIBIT "I" ialah

sesalinan dokumen notis kepada PHIM itu. Plaintif sedia menunjukkan pembungkusan barangan asal Plaintif dan barangan Defendan berkenaan semasa pendengaran permohonan Plaintif ini kelak.

[27] I am therefore of the considered opinion that pursuant to s. 42 of the Copyright Act 1987, the plaintiff has established *prima facie* evidence that the plaintiff is the owner of the copyright in the plaintiff's rice product packaging. This is supported by the decision of Justice Abdul Malik Ishak in *Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd* [2005] 1 CLJ 200; [2005] 3 MLJ 552 where His Lordship said at p. 209 (CLJ); p. 560 (MLJ):

> It is quite apparent that s. 42 of the Copyright Act 1987 prescribes the manner of proving copyright subsistence and ownership of works. It provides that an affidavit or statutory declaration to be made by the copyright owner or persons authorised by the copyright owner and such affidavit or statutory declaration shall be admissible in any proceedings as *prima facie* evidence of the facts contained therein. It is quite obvious that s. 42 of the Copyright Act 1987 was enacted to facilitate and ease the process of proving copyright ownership. It is a concession of a sort. It circumvents the requirement of having the produce supporting documentary evidence which may be antiquated and voluminous Section 42 of the Copyright Act 1987 places the burden on the infringer to dispute and challenge the *prima facie* evidence adduced by the copyright owner.

[28] The admission of the affidavit, which complies with s. 42 of Copyright Act 1987 will have the effect of shifting the burden of proof to the defendants to rebut the *prima facie* evidence as to the subsistence of copyright in the plaintiff's rice product packaging and the plaintiff's ownership to such copyright. This is affirmed by the decision of the Court of Appeal in *Microsoft Corporation v. Yong Wai Hong* [2008] 6 CLJ 223, where the court held at p. 232:

> In the present case, the appellant filed an affidavit which complies with section 42(1) of the Copyright Act. *The effect of that is to provide prima facie evidence of the facts of the appellant's ownership of the copyright over several works in question. It was then for the respondent to offer positive evidence to displace the appellant's prima facie ownership, for example, by showing that some other person is the true owner of the claimed copyright*. But that, as has already been seen is not what the respondent did. (emphasis added)

[29] In the present case, the defendant did not offer any positive evidence to displace the plaintiff's *prima facie* ownership of the copyright. Therefore, I am of the considered opinion that copyright subsists in the plaintiff's rice product packaging and that the plaintiff is the owner of such copyright.

[30] The next issue is whether the defendant has infringed the plaintiff's copyright under s. 36(1) read with s. 13(1) of the Copyright Act 1987. Section 36(1) of the Copyright Act 1987 reads as follows:

> 36. (1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act

[31] "The act of doing of which is controlled by copyright" refers to Section 13(1) of the Copyright Act 1987, which reads:

> 13. (1) Copyright in a literary, musical or artistic work, a film, or a sound recording or a derivative work shall be the exclusive right to control in Malaysia
>
> .....
>
> (e) the distribution of copies to the public by sale or other transfer of ownership; …
>
> of the whole work or a substantial part thereof ...

[32] The application of both ss. 36(1) and 13(1) was considered by Justice Low Hop Bing in *Megnaway Enterprise Sdn Bhd v. Soon Lian Hock (No 2)* [2009] 8 CLJ 130; [2009] 3 MLJ 525 where His Lordship held at p. 143 (CLJ); p. 536 (MLJ):

> The essential elements constituting copyright infringement have been set out by Sir Raymond Evershed MR in *Purefoy Engineering Co Ltd v. Sykes Boxall & Co Ltd* (1955) 72 RPC 89. Prof Dr Khaw Lake Tee adopted these elements in *Copyright Law in Malaysia* [1994] at pp 87 and 88 as follows:
>
> For purposes of direct infringement, it must be established that:
>
> (a) There is sufficient objective similarity between the original work or a substantial part thereof, and the infringing copy;
>
> (b) There is a causal connection between the original work and the infringing copy, that is, the infringing copy must have been copied from the original work, whether directly or indirectly; and
>
> (c) What has been infringed must constitute a substantial part of the original work.

[33] In the present case, the plaintiff submits that the defendants have committed copyright infringement when they have sold its counterfeit rice product with its infringing packaging to YSK Mini Market (40 bags) (see exh. "J" to plaintiff's affidavit affirmed on 14 July 2015) and to the plaintiff's representatives (two bags) (see exhs. "L" and "M" plaintiff's affidavit affirmed on 14 July 2015).

[34] A comparison between the plaintiff's copyrighted rice packaging with the defendants' packaging shows that the defendants have reproduced 99.9% of the plaintiff's copyrighted packaging design. The plaintiff submits that the two rice product packaging is "almost identical".

Plaintiff's Rice Product	Defendants' Rice Product

[35] In *Megnaway Enterprise Sdn Bhd (supra)*, the court held as follows:

> [42] **There could be infringement even though the imitation is not an exact replica**. It does not matter whether the size of the copy has been increased or reduced, or whether the whole or part of the original was copied. **There need not be an exact reproduction**, but there must be a high degree of similarity between the two: AUVI Trade mark, *supra*, per Chao Hick Tin J.
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> [43] In copyright law, **once substantial similarity is established, a *prima facie* presumption of copying by the defendant arises** and the burden is shifted to the defendant to rebut the causal connection. Where the defendant has failed to rebut this presumption, the second element is fulfilled.
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> ....
>
> [45] For the purpose of establishing the third element, **a practical approach was adopted** in *Stes in Pty Ltd and Another v. Johnson and Others* [1995] 29 IPR 461, **where a comparison was made** of two almost identical plans.
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> .....
>
> *[47] The fact that the defendant has sold and is selling anti-theft system undoubtedly establishes an infringement of copyright on the part of the defendant under s. 13(e) ie, by distributing infringing copies to the public by sale. The right to distribute the work or any reproduction thereof is vested exclusively on the copy right owner or its licensee and this right extends to copies or any reproduction of the works*
>
> (emphasis added)

[36] On the facts of the present case, I agree with the plaintiff that from a comparison between the plaintiff's copyrighted works, the rice product packaging with the defendants' rice product packaging, it clearly shows that the defendants have copied the plaintiff's copyright. The defendant's rice product packaging is almost identical (99.9%) to the plaintiff's copyright. As there is objective similarity between the defendants' infringing work with the plaintiff's copyright, I am of the considered opinion that the plaintiff has established that the defendants have copied the plaintiff's copyright rice packaging.

[37] The next issue is on the causal connection between the original work (the plaintiff's rice product packaging) and the infringing copy (the defendant's rice product packaging), that is, the infringing copy must have been copied from the original work, whether directly or indirectly link.

[38] On this issue of causal connection, Justice Azhar Mohamad in *Plastech Industrial Systems Sdn Bhd v. N & C Resources Sdn Bhd & Ors* [2012] 5 MLJ 258 has held that there was causal connection between the infringing works of the first defendant and the plaintiff's copyright works as the second to the fourth defendants had prior access to the plaintiff's works. Therefore, prior access to the copyrighted work may establish causal connection between the works in issue.

[39] In the present case, I find that the defendants have prior access to the plaintiff's copyright. The defendant (Leong Wai Choon) was a previous customer of the plaintiff and has bought the plaintiff's rice product using the plaintiff's copyright for resale.

[40] The plaintiff further submits that the defendants, by selling its rice product using the plaintiff's copyrighted rice product packaging, without the plaintiff's permission, has committed copyright infringement. The defendant has sold its counterfeit rice product using its infringing packaging to YSK Mini Market and the plaintiff's representatives through the trap purchases conducted by the plaintiff.

[41] However, it is the submission of the defendants that there is no evidence to show that the defendants have sold the rice products to YSK Mini Market as there is no affidavit from YSK Mini Market to verify the same. On this point, I agree with the defendants that apart from the invoice from the defendant, there is nothing from YSK Mini Market to confirm that the infringing rice products were sold to them by the defendants.

[42] With regards to the trap purchase made by the plaintiff, I am of the considered opinion that the plaintiff has affirmed that they have bought the rice products from the defendants, as exhibited by the sale invoice dated 3 March 2015 (see exh. M) and the rice product is as per sch. B. (see paras. 24.5 and 24.5 of plaintiff's affidavit in support). I also take note

that the defendants did not dispute that the sale invoice dated 3 March 2015 was issued by them. In para. 12.4 of the affidavit affirmed by the first defendant, the defendants states that:

> 12.4 Saya tidak mempunyai pengetahuan berkenaan perenggan 24.4, 24.5 and 24.6 Afidavit Sokongan kerana kedai Defendan Kedua adalah terbuka kepada semua orang dan sesiapa sahaja boleh membeli beras daripada Defendan Kedua. Invois di Ekshibit "L" dan "M" Afidavit Sokongan boleh didapati oleh sesiapa sahaja yang telah datang ke kedai Defendan Kedua ...

[43] Therefore, premised on the trap purchase on 3 March 2015, the sales invoice of the second defendant and the counterfeit rice products in sch. B, I am of the considered opinion that the defendants have distributed the rice products which the plaintiff claim to have infringed their copyright, to the public by sale.

[44] This fact is further corroborated from the pictures taken during the visit of the second defendant's shop by the officers from Kawal Selia Padi dan Beras, Ministry of Agriculture on 4 March 2015. The following pictures were taken during the visit by the said officials, where it can be seen that packets of rice bearing the plaintiff's copyright rice packaging were in the second defendant's shop.

[45] The defendant did not dispute the visit by the said officials and conceded that only 12 packets of the rice products were at the shop, but it is the defendant's case that these 12 packets of rice were not for sale but to be distributed to relatives in conjunction with the Chinese New Year celebration. However, I agree with the plaintiff that since the visit was made after the Chinese New Year celebration, the defendant's explanation cannot be accepted. Added to that, as the rice packets are stacked with other rice products, I can only conclude that they are being offered for sale to the public.

[46] The defendant's next contention is that the plaintiff has failed to prove that the rice products in sch. B, which were part of the trap purchase on 3 March 2015 and the visit on 4 March 2015 are counterfeit products. The defendants submit that there is nothing to show that the rice products in sch. B are counterfeit products.

[47] However, in para. (18) of the SOC, the plaintiff has pleaded that the rice products in sch. B "tidak berasal dari plaintif dan yang tidak diluluskan oleh plaintif ..." . I am also of the considered opinion that from the affidavits of the plaintiff, they have shown that the rice products in sch. B are counterfeit products, because they are not produced or manufactured by the plaintiff and neither were they approved by the plaintiff. In other words, because the rice products in sch. B are not from the plaintiff, then they must be counterfeit products. The plaintiff reaffirms this in para. 14 of their affidavit affirmed on 13 August 2015, which reads:

> 14. Lanjutan kepada perenggan di atas, Plaintif selaku pengilang barangnya sendiri sudah pasti tahu bahawa barangan palsu, tiruan dan langgaran Defendan itu adalah palsu dan tiruan. Plaintif selaku pengilang asal dan asli barangan plaintif berkenaan yang pasti tahu telah memeriksanya dan mengesahkannya ...

[48] Premised on the above, I am of the considered opinion that the rice products in sch. B are not the plaintiff's products, but are counterfeit products. Therefore, I find that by selling the counterfeit products in the trap purchase on 3 March 2015 and offering the same for sale in their shop on 4 March 2015, the defendants have infringed the plaintiff's copyright in the rice packaging.

Issue (ii) Unlawful Interference With Trade

[49] With regards to the issue of unlawful interference with trade, the court in *Megnaway Enterprise Sdn Bhd (supra)* held that unlawful interference with trade is proved if the defendants have sold and offered for sales its product which infringes the plaintiff's copyright. At p. 145 (CLJ); p. 145/A to F (MLJ), the court held as follows:

> [49] Although unlawful interference with trade is a developing tort and of uncertain ambit, its existence is beyond doubt and certain of its features are clearly defined. In *H & R Johnson (Malaysia) Bhd v. H & R Johnson Tiles Limited & Anor* [1995] 2 CLJ 581 at p. 593, Zakaria Yatim (later FCJ), citing authorities, said:
>
> > ... If one person deliberately interferes with the trade or business of another, and does so by unlawful means, that is, by an act which he is not at liberty to commit, then he is acting unlawfully, even though he does not procure or induce any actual breach of contract: *Torquay Hotel Co. Ltd. v. Cousins & Ors.* [1969] 2 Ch. 106, 139 per Lord Denning MR.
>
> [50] **By selling, offering for sale and distributing an anti-theft system which is infringing the plaintiff's copyright, the defendant has interfered with the plaintiff's trade**.
>
> [51] The unlawful means employed here is the act of selling, offering for sale and distribution an infringing copy of the plaintiff's anti-theft system.
>
> [52] As a result of the defendant's unlawful interference with the plaintiff's trade, the plaintiff's goodwill and reputation have been injured with direct and indirect negative consequence on the plaintiff's sales.

[53] In the circumstances, I find that the defendant is liable to the plaintiff for the tort of unlawful interference with the plaintiff's trade or business. (emphasis added)

[50] It is clear on the facts that the defendants' counterfeit rice products uses a packaging that infringes upon the plaintiff's copyright. The defendants' said packaging is 99.9% identical to the plaintiff's copyright.

[51] Therefore, based on my finding that the defendants have sold and are offering for sale its counterfeit rice products which use the plaintiff's copyright design, the defendants has committed copyright infringement. As such, the defendants have also committed unlawful interference with the plaintiff's trade.

Issue (iii) Trade Mark Infringement

[52] Trade mark Infringement is provided for in s. 38(1) of the Trade Marks Act 1976 ('TMA 1976'), which reads as follows:

Infringement of a trade mark

38. (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be take neither:

(a) as being use as a trade mark;

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade;

[53] The plaintiff is the owner of two trade marks that are used on rice products:

Trade mark	Registration No.	Registration Date	Class of Goods
1. jasmine	87001261	31/3/1987	30 : rice flour, wheat flour, rice, rice noodles and cereals
2. Sunwhite	87001264	31/3/1987	30 : rice, rice noodle, rice flour, wheat flour and cereals

[54] Pursuant to s. 35 of the TMA 1976, the registration of the above two trade marks by the plaintiff gives the plaintiff the statutory exclusive right to use those trade marks to the exclusion of the defendants. The defendants cannot use the plaintiff's registered trade marks without the plaintiff's permission.

[55] The plaintiff claims that it has never given any permission to the defendants to use its registered trade marks.

[56] Trade mark infringement pursuant to s. 38(1) of the TMA 1976 was considered by Justice Low Hop Bing in *Leo Pharmaceutical Products Ltd A/S v. Kotra Pharma (M) Sdn Bhd* [2002] 6 CLJ 465, where His Lordship opined that in order to prove infringement, it is incumbent upon the plaintiff to prove that:

(a) The defendant is neither the registered proprietor nor the registered user of the trade mark;

(b) The defendant used a mark identical with or so nearly resembling the plaintiff's registered trade mark as is likely to deceive or cause confusion;

(c) The defendant was using the offending mark in the course of trade;

(d) The defendant was using the offending mark in relation to goods or service within the scope of the registration; and

(e) The defendant used the offending mark in such a manner as to render use likely to be taken either as being used as a trade mark or as importing a reference to the registered proprietor or the registered user or to their goods or services.

[57] With regards to trade mark infringement, it is not in dispute that the plaintiff is the registered owner of the trade marks jasmine and Sunwhite. The issue here is whether the defendants have used a mark which is identical to the plaintiff's trade mark in that the use by the defendants is likely to deceive or cause confusion amongst the trade and the public. In *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344, the Supreme Court said:

> Under s. 38 of the Trade Marks Act, a registered trade mark is infringed by a person who uses a mark which:
>
> (a) is identical with it; or
>
> (b) so nearly resembling it as is likely to deceive; or
>
> (c) so nearly resembling it as is likely to cause confusion

[58] The plaintiff has averred that the rice packaging bearing the plaintiff's identical trade marks that the plaintiff has purchased from the defendant *via* trap purchase and the 12 packets that were taken from the defendant's shops do not belong to the plaintiff as they are counterfeit products.

[59] From the visual comparison between the two products, I agree that the defendant's product is identical to the plaintiff's registered trade marks. The defendants have used the same or identical trade marks, namely jasmine and Sunwhite on their rice packaging products. Further, where the products are similar, in this case, packages of rice, there is a higher likelihood of confusion and deception that members of the public would assume that they are buying the plaintiff's products. In the premise, I find that the defendant has infringed the plaintiff's registered trade mark.

[60] Therefore, I am of the considered opinion that the defendants have committed trade mark infringement, as can be depicted from the following pictures:

plaintiff's rice product	defendants' rice product

Issue (iv) Passing-Off

[61] The Supreme Court in *Seet Chuan & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 3 CLJ 7 held that in order to create a valid cause of action for passing-off, there must be a misrepresentation made by the trader in the cause of trade to prospective customers which is calculated to injure the business or goodwill of another and has caused damage to the business or goodwill of another.

[62] Therefore, the onus is on the plaintiff to establish the three elements in order to demonstrate that the defendants had passed off their rice products as that manufactured and sold by the plaintiff. The three elements are:

(i) reputation

(ii) misrepresentation; and

(iii) damage.

[63] The same principles were reaffirmed by the Court of Appeal in the case of *Ho Tack Sien & Ors v. Rotta Research Laboratorium S.p.A & Anor* [2012] 8 CLJ 645, where the court held that in order to establish an action for passing-off, the plaintiff must prove the following:

(i) That he has sufficient reputation or goodwill in the mark, trade mark, get-up or other *indicia* in question under which his particular goods or services or offered to the public;

A (ii) He must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to belief that goods or services offered by him are the goods services of the plaintiff; and

B (iii) He must demonstrate that he suffers or had suffered or is likely to suffer damage or injury to his business or goodwill by reason of the erroneous belief and engendered by the defendant's misrepresentation that the source of the defendant's good or services is the same of the source offered by the plaintiff.

C **[64]** With regards to goodwill and reputation, the plaintiff relied on the following facts:

(i) that the plaintiff have hundreds of customers (distributors and retailers) in Malaysia, including big stores such as Aeon (Jusco), Giant, Cold Storage, Tesco, Billion Shopping Centre Econmart, Econsave, Cold D Storage and others. (see exh. "E" annexed to the plaintiff's affidavit affirmed on 14 July 2015);

(ii) some of the plaintiff's sales documents showing sales of rice products using the plaintiff's said trade marks obtained randomly for the years 2003 to 2015, which are exhibited in exh. "F" annexed to the plaintiff's E affidavit affirmed on 14 July 15;

(iii) There are many advertisement and promotions of the plaintiff's rice products bearing their registered trade marks as can be seen from exh. "G" of the plaintiff's affidavit affirmed on 14 July 2015.

F (iv) that the plaintiff is also an award winning company, having obtained numerous awards for its rice products and business. The plaintiff's brand was recognised as the "Superbrand" for the years 2002 to 2006, 2008 and 2010. The plaintiff's JASMINE brand was also awarded Reader's Digest 'Trusted Brand Gold Award' for the years 2004 to 2012, 2014 and the 'Trusted Brand Platinum Award' for the year 2013. The G plaintiff's JASMINE brand was also awarded the 'The Brand Laureate Award' for the years 2007, 2009, 2014 and 2015. The plaintiff has also obtained the much-coveted ISO 90001: 2000 and ISO 9001: 2008 certifications. (see exh. "B" annexed to plaintiff's affidavit dated 14 July 2015).

H **[65]** By reason of the above facts, I am of the considered opinion that since the plaintiff's rice product bearing the plaintiff's registered trade marks namely and , have been marketed, promoted and sold in Malaysia, therefore the plaintiff has acquired sufficient reputation or goodwill in the said trade marks.

I

[66] On the issue of misrepresentation, the court in *Syarikat Zamani Hj Tamin Sdn Bhd & Anor v. Yong Sze Fun and Anor* [2006] 5 MLJ 262, has held that:

> Misrepresentation in the passing-off sense is a false representation on the part of the defendant which causes damage to the goodwill and reputation of the plaintiff through an unlawful association created between the defendant and the plaintiff. As set out by Lord parker in *Spalding v. Gamage* at p. 450:
>
> > The basis of a passing-off action being false representation by the defendant, it must be proven in each case as a fact that false representation has been made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is where the representation is implied in the use or imitation of a trade mark, trade name or get up with which the goods of another are associated in the minds of the public.

[67] The defendant's misrepresentation or false representation can be seen from the use of the plaintiff's registered trade marks and on its counterfeit products. The defendant even uses the plaintiff's name and contact details on its counterfeit products, namely:

(i) "Jasmine Food Corporation Sdn Bhd (No. 162356-H) (Ahli Kumpulan Bernas)",

(ii) "Lot No. 8, Jalan 25/123, Sek 25, 40000 Shah Alam, Selangor DarulEhsan, Tel : 03-5122 3188 Fax : 03-5122 2188 (Sales)", and

(iii) "Website : www.jasmine.com.my".

[68] Therefore, on the issue of misrepresentation, in view of the identical marks in respect of the same rice products, I am of the considered opinion that there is misrepresentation by the defendant to the public leading to the public to belief that bags of rice offered by him are the bags of rice of the plaintiff.

[69] The last element in the tort of passing-off is damages. In *Syarikat Zamani Hj Tamin Sdn Bhd & Anor (supra)* the court held that:

> there are various heads of damage but the generally recognised heads of damage could be labelled in two ways which are destruction and diversion. In the first case (destruction) the goodwill will be destroyed, damaged or depreciated. In the second case (diversion) **the goodwill as such may not initially be damaged to any measurable extent but the plaintiff is just as certainly deprived of its benefit the attractive force which the goodwill may draw in custom as powerfully as before but draw it to the defendant, instead of the plaintiff**.
>
> .....

A But goodwill will be protected even if there is minimal damage in the above sense. For example, it has been long recognised that a defendant cannot avoid a finding of passing-off by showing that his goods or services are as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the claimant because instead B of benefitting from the exclusive rights to his property, the latter now finds that someone else is squatting on it. (emphasis added)

[70] It is also settled law that actual damage need not be proven. A probability of damage is sufficient. In Y*ong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2011] 1 LNS 1307; [2012] 1 AMR 389, it was C held by the Court of Appeal that:

> [240] The law is settled. **Actual damages need not be proven. It is sufficient to show a probability of damage**. In this regard, the case of *HP Bulmar Ltd and Showering Ltd v. J Bollinger SA and Champagne Lanson Pere Et Fils* [1978] RPC 79 immediately comes to the forefront. There, Buckley D LJ had this to say at page 95 of the report:
>
> > It is well settled that a plaintiff in a passing-off action does not have to prove that he had actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be damage to him in his E trade or business, that is to say, damage to his goodwill in respect of that trade or business. Goodwill is a word of wide import.

[71] In the case of *Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Ltd* [1994] 3 CLJ 7, the Supreme Court held that if the goods in question are in direct competition with one another, the issue of damage to the F plaintiff's goodwill will be readily inferred.

[72] In the present case, since the defendants' counterfeit products and the plaintiff's original products are the same, that is rice products, and are in direct competition with one another, damages are inferred and presumed. Therefore, premised on *Seet Chuan Seng*'s case *(supra)*, damages to the G plaintiff's goodwill will be readily inferred. At the same time, I also agree with the plaintiff that it is likely to suffer damages as a result of the infringing acts of the defendant due to the loss of exclusivity and damage to its goodwill and reputation.

[73] In the premise, I am of the considered opinion that the plaintiff have H established the elements of passing-off against the defendants.

Issue (v) The Defendants' Defence

[74] In their amended SOD, the defendants have raised two issues:

I (i) that the defendants have obtained the rice products from third parties at a competitive price and resell the same to consumers (see paras. 5, 7, 8, and 12); and

(ii) that the defendants have acted in good faith and have no knowledge that the rice products from the third parties have infringed the plaintiff's intellectual property rights (see paras. 7, 8 and 9)

[75] With regards to their defence that they have bought the rice products from third parties, in a letter dated 19 March 15 (see exh. "R" annexed to the plaintiff's affidavit affirmed on 14 July 15), the defendants wrote to the plaintiff's lawyer, the defendants said this:

> As we have explained to your client's manager that was present during the routine random inspection (of which the "counterfeit" products were confiscated by your client's manager), **the products were purchased by us, our employees and/or agents from other sources including but not limited to hypermarkets such as Aeon and Tesco in good faith in preparation for the festival period of Chinese New Year**. We were unaware of the False Trade Description on the confiscated products and neither did we have any intention to sell or resell any products resembling your client's Trade Mark. The confiscated products were purchased in good faith and at the same time could be used as gifts to our friends and family during the Chinese New Year Season ... (emphasis added)

[76] However, in an affidavit affirmed by the first defendant on 3 August 2015, the defendants said in para. (20):

> Perenggan 44 Afidavit Sokongan dinafikan dengan setegas-tegasnya. **Defendan-defendan sememangnya telah mendapatkan beg-beg beras tersebut yang tidak diingat kerana kuantiti kecil sama ada dari pasar raya atau pun orang perseorangan** sepertimana dinyatakan di atas. Namun masa yang lama telah berlalu sejak pembelian tersebut dan sama ada tidak resit diberikan oleh orang perseorangan ataupun resit tersebut telah dibuang ... (emphasis added)

[77] Contrary to what the defendants have stated in their letter dated 19 March 2015; there is nothing in the defendants' affidavit to state that they have bought the counterfeit rice products from the hypermarkets Aeon and Tesco. Added to that, in their affidavit, the defendants now claimed that they have bought the counterfeit products from 'orang perseorangan' when no reference was made to 'orang perseorangan' in their letter dated 19 March 2015.

[78] In view of the inconsistency in the defendants' explanation as to the source of their counterfeit products, I find no merits in the defendants' SOD that requires the issues to be tried. I also agree with the plaintiff the defendants failure to adduce any evidence of their alleged purchase of their counterfeit rice products from the said hypermarkets and/or persons is highly improbable. If the purchase were made for the Chinese New Year celebrations, the said purchases must be recent purchase and there must be receipts to show the purchases. I also find it highly improbable that the defendants did not keep the receipts of purchase because as prudent businessman, they should make sure all transactions are accounted for.

[79] The defendants cannot produce the evidence of purchase from these hypermarkets and/or unspecified individuals because it is not real and not true. I find that the defendants' argument is therefore frivolous and empty. In the absence of any evidence to support the defendants' contention that they have bought the counterfeit products from hypermarkets Aeon and Tesco, or unspecified individuals, this issue is not triable. In *Abercrombie & Fitch Co & Anor (supra)* at p. 440/E-G the court held as follows:

> ... the court is satisfied that the **defendants have not raised any issue which merits a trial**. In fact, "nothing would be gained by allowing the matter to go to trial" (per Blackburne J in *Gilette UK Limited and Anor v. Edenwest Limited* [1994] RPC 279 at p. 294) because, firstly **all the allegations made and issues raised are not substantiated with any evidence**. (emphasis added)

[80] In respect of the defendants' contention that their counterfeit products were purchased as "gift" for the Chinese New Year celebration, it is another improbable contention of the defendants. I find that the defendants have commercially offered for sales and have sold the counterfeit rice products to the plaintiff in a trap purchase conducted by the plaintiff on 3 March 2015. On 4 March 15, during the visit by the Ministry of Agriculture & Agro-Based Industries at the defendants' premises, it was shown that the defendant have offered for public sale 12 bags of its counterfeit rice products. Both events happen after the Chinese New Year celebration. Added to that, from the pictures taken on 4 March 2015, it shows that the counterfeit rice products were displayed with other rice products for the public to purchase. The counterfeit rice products were not kept in the store or set aside in a secluded place meant for family giveaway.

[81] The last issue raised by the defendants is that they have acted in good faith and have no knowledge that the rice products bought from the third parties have infringed the plaintiff's intellectual property rights. However, I agree with the plaintiff that even on the assumption that the defendants were 'innocent', innocence is still no defence because the defendants' counterfeit products will still confuse and deceive end consumers. It is the ordinary consumer that must be protected.

[82] With regards to copyright claims, lack of knowledge is not a defence to such claim. In *Elster Metering Limited & Anor v. Damini Corporation Sdn Bhd & Anor* [2012] 1 LNS 959, the Court of Appeal held as follows:

> [12] It is also equally clear that **neither intention to infringe, nor knowledge that he is infringing on the part of the defendant (respondent) is a necessary ingredient in the cause of action for infringement of copyright**. Once the two elements of sufficient objective similarity and causal connection are established, **it is no defence that the defendant was unaware (an could not have been aware) that what he was doing infringed the copyright of the plaintiff's work** (*Francis day & Hunter Ltd v. Bron (supra)* - per Diplock LJ) (emphasis added)

[83] With regards to trade mark infringements and passing off, the lack of knowledge is also not a defence to such claims either. In *Acushnet Company (supra)* the court held that:

> [47] It is not necessary that it should be intended to deceive or to cause confusion. We do not have to look into the mind of the user to see what he intended. It is it's probable effect on ordinary people which we need to consider. **The user may have no such intention, and was completely honest. But, he may still be guilty of infringement if his usage of the trade mark is likely to deceive or to cause confusion on the ordinary people**, (see: *Parker-Knoll Limited v. Knoll International Limited (supra)*).
>
> .....
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> [92] The defendant contends that its infringement is inadvertent due to the alleged misrepresentations of Zonson. The court cannot accept this contention. **Even if the defendant is innocent the law is very settled in that innocence is not a defence to trade mark infringement**.
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> [93] In *Kerly's Law of Trade Marks and Trade Names* (13th edn) at para 18-153 the learned author states:
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> > A Defendant cannot avoid an order for an inquiry by showing that he infringed innocently. The claimant has a right to damages regardless of the Defendants state of mind, and that is so regardless of whether the cause of action is infringement of a registered mark, or passing-off.
>
> [94] In the case of *Gillete UK Limited and Anor v. Edenwest Limited* [1994] RPC 279 at p. 290 Blackburne J held:
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> > *As regards infringement of a registered trade mark, it was settled law that innocence on the part of the infringer is no defence to a claim of damages* (emphasis added)

[84] I am therefore of the considered opinion that the issues raised by the defendants in their SOD do not merit a full trial of the action. The defendants' allegations are simply bare assertion which is not sufficient to raise a triable issue. In *Acushnet Company (supra)* the court held as follows at p. 573/A:

> [37] A mere bare assertion by the defendant would not be sufficient. The duty of the court is quite onerous in the extreme. The court must be vigilant and must view in prospective at the whole scenario in order to ascertain whether the defendant has a real or what is commonly known as a *bona fide* defence, (see: *Renofac Builder (M) Sdn Bhd v. Chase Perdana Bhd* [2001] 5 CLJ)

Conclusion

[85] In conclusion, I find that the defendants have not shown any *bona fide* defence or triable issues which warrants a trial. Whatever issue raised by the defendants must be issues that merit the claim going for trial. However, the defendants' contention that they have bought the counterfeit products from

A hypermarkets such as Aeon and Tesco is not supported by any evidence at all. The defendants' contention that their counterfeit products are "gifts" to be given during Chinese New Year is baseless as the same was procured in a trap sale conducted by the plaintiff on 3 March 2015 and was offered for public sale during the visit of the ministry officials on 4 March 2015.

B **[86]** In the premise, the application is allowed with costs.

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